

**From:** Kurt Seel  
**To:** Burns, Joelle  
**Date:** 12/14/00 9:19AM  
**Subject:** Cargill, Inc. Proposed Surety Bond and Recl. Contract M/045/030

Joelle,

Thanks for forwarding the above proposed Cargill, Inc. Surety Bond and Reclamation Contract for M/045/030. I have three comments.

The "Note" on page 3 of the Joint Surety Form states that if one signs by virtue of a Power of Attorney for a Surety Company that the Power of Attorney must be filed with this bond. There is no attached power of attorney. I interpret the Note as requiring a document from the *surety company* stating that it has delegated authority to the person signing the agreement. The "affidavit of qualification" executed by Mathew Forsti is merely a statement by him (Forsti) stating that he believes he has authority to bind the surety company. It is not a statement from the surety company itself. For 1.9M\$ I strongly recommend that we have something in writing from the surety company (St Paul Fire & Marine) stating that Mr. Forsti is authorized to bind St. Paul Fire & Marine in this matter, i.e., Mr. Forsti's word alone is not good enough.

Second, we need a registered agent in the state of Utah. The stated registered agent is in Minn. In order to be an active corporation in Utah it must already have a registered agent here.

Also, in our prior phone conversation you mentioned a variance was being granted to relieve Cargill from reclamation obligations within the disturbed area. I assume that variance is conditioned on Cargill not exceeding the scope of the variance, i.e., if Cargill disturbed the exempted area in a way not previously anticipated, the bond should be available to reclaim the disturbed area. If a variance is being granted I would mention that fact on Attachment A and state that as long as Cargill complies with the terms of the variance, then the anticipated reclamation area is 63.5 acres, but if it doesn't, then the bond can be used anywhere it is needed within the 17,253 acres.

Otherwise it looks good. If questions, please don't hesitate to contact me.

Kurt Seel